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ABSTRACT

Supporting performance objective 50 of the V-TECS (Vocational-Technical Education Consortium of States) Bookkeeper Catalog, a set of student materials and an instructor's manual on recording discounts allowable on invoices are included in this module. (This module is the fifth in a set of ten on bookkeeping [CE 019 480-489].) The student materials include a pre- and posttest, learning activities, and materials for use in bookkeeping problems (e.g., invoices, checks), and student self check (with answer key). The instructor's manual includes answer keys to the pre- and posttest and the bookkeeping problems, and the script for a slide presentation. The materials are designed for self-paced individual instruction and may be adapted for use with large groups. (A related set of modules on banktelling [CE 019 471-478] is also available.) (JH)

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BK
IV–J

RECORDING DISCOUNTS ALLOWABLE ON INVOICES

STUDENT'S MANUAL

Prepared by

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In Cooperation With

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Anne L. Matthews

Anne L. Matthews, State Supervisor
Office Occupations Education

INTRODUCTION TO BOOKKEEPER INSTRUCTIONAL MATERIALS

The modules developed in South Carolina for the bookkeeper catalog are designed to provide audio, visual, and printed supplementary materials needed by the instructor and/or student to achieve the objectives stated in the catalog. The materials were designed as modules so that they may be flexibly inserted into an on-going program, as well as provide for maximum utilization via a rotation schedule.

These materials provide supplemental units of instruction in the following areas:

Module No.	Tasks	Performance Objective Nos.
I-G	Preparing Shipments for Freight Express	79
IV-K	Completing a Purchase Order Invoice	51
IV-J	Recording Discounts on Sales Invoices	50
IV-N	Preparing Memos for Goods Returned	54
IV-I	Typing Tabulated Materials	49
VI-G	Recording Entries Pertaining to Notes and Interest	13
VI-J	Recording Entries Pertaining to Sales Tax	16
	Accounting Forms	16

The modules typically include a performance objective, definitions, prerequisites, equipment, introduction, directions, learning activities, self checks, and tests (pre and post). The instructor's manual contains notes, keys, forms for duplication, instructor's checklists, scripts for recording, and supplementary materials.

Before you release the packages to your students, review each package within your department, discuss how to best utilize the materials, choose the desired course, and plan the sequence for each unit of instruction. Other considerations are required:

1. Insure that necessary equipment is available and in proper working order.
2. Insure that necessary audio materials are recorded and easily available.
3. Obtain the necessary equipment needed for filmstrip viewing and listening.
4. Replenish consumable supplies after each student completes the module.

The modules may be used in the following courses: Office Procedures, Cooperative Office Education, Senior Intensified Program, Bookkeeping, Accounting, Typewriting, Business Mathematics, and Office Machines.

Perhaps a rotation plan could be devised to provide each student with an orientation or a review of simple bookkeeper duties. A teacher may, however, select single modules, provided no prerequisite skills are listed.

PERFORMANCE OBJECTIVE:

Given invoice from customer, sales invoices and the necessary journals and ledgers, record the allowable discounts without any procedural or mathematical errors.

DEFINITION OF TERMS:

discount–a deduction allowed to buyers who pay their bills promptly. Example: Loris Luggage Company received a $12.00 discount for paying the invoice within 10 days.

PREREQUISITES:

Before attempting to complete this learning packet, the student should have a working knowledge of

1. how to use a Sales Journal and post from it;
2. how to use a Cash Receipts Journal or Combination Journal;
3. how to post columnar totals to a General Ledger;
4. how to post to customers' accounts in the Accounts Receivable Ledger.

You should also have completed the following modules.

1. Completing Purchase Orders
2. Preparing a Bill of Lading
3. Completing Sales Invoices

PRE-TEST:

You may already know how to figure sales discounts. Go to the next page and complete the Pre-Test. When you are finished, submit your answers to your instructor for correction.

PRE-TEST

Directions: Choose the letter of the answer which correctly completes each item. Record your answer on a separate sheet of paper.

1. If an invoice is dated September 10 and the terms of the invoice are 2/10, n/30, the invoice should be paid by October 30 to take advantage of the discount.
   a. True
   b. False

2. If an invoice is dated October 20 and the terms of the invoice are 2/10, n/30, the invoice should be paid by November 29 to take advantage of the discount.
   a. True
   b. False

3. If an invoice is dated April 26 and the terms of the invoice are 2/10, n/30, the invoice should be paid by May 6 to take advantage of the discount.
   a. True
   b. False

4. If an invoice is dated March 25 and the terms are 1/15, n/30, the invoice should be paid by April 9 to take advantage of the discount.
   a. True
   b. False

5. If an invoice is dated November 1 and the terms are 2/10, n/30, a 2% discount could be taken if the invoice were paid on November 12.
   a. True
   b. False

6. When a carbon copy of the sales invoice is received in the accounting department of the vendor, it should be recorded in the Cash Receipts Journal.
   a. True
   b. False

7. When the amount of the invoice is posted from the Sales Journal to the customer's account in the Accounts Receivable Ledger, the amount should be recorded in the customer's account in the debit column.
   a. True
   b. False

8. When the check from the customer is received in payment of the invoice, it should be recorded in the Sales Journal.
   a. True
   b. False

9. The amount that should be posted to the customer's account after a check has been received in payment is the amount in the Cash Debit Column of the Cash Receipts Journal.
   a. True
   b. False

10. The total in the Sales Journal at the end of the month should be posted to the Accounts Receivable Ledger.
    a. True
    b. False

PRE-TEST

(Continued)

11. The totals of the Cash Receipts Journal at the end of the month should be posted to the General Ledger.
    a. True
    b. False

12. If the total of a sales invoice is $150.00 and the terms are 2/10, n/30 and it is paid within the discount period, the amount of the discount should be
    a. $ 3.00
    b. $30.00
    c. $15.00
    d. $ 2.00

13. If an invoice amounting to $400.00, dated June 2 is paid on June 12, and the terms of the invoice are 2/10, n/30, the amount of the check should be
    a. $320.00
    b. $392.00
    c. $400.00
    d. $360.00

14. If a customer pays an invoice for $100.00 within the discount period and the terms are 2/10, n/30, the amount of the check that should be received from the customer is
    a. $80.00
    b. $98.00
    c. $90.00
    d. $70.00

15. The final balance in the following account taken from the Accounts Receivable Ledger is
    a. $ 75.00
    b. $375.00
    c. $125.00
    d. –$ 75.00

Name: Have Gum Will Chew Company

Date	P.R.	Debit	Credit	Balance
June 1	S1	100.00		———
3	S1	50.00		———
7	CR2		100.00	———
10	S2	75.00		———
12	CR3		50.00	———

EQUIPMENT, TOOLS, RESOURCES, AND SUPPLIES:

You will need a pen or pencil, paper, a filmstrip projector, and a cassette player while completing this module.

INTRODUCTION:

DISCOUNTS! Most people love to get discounts and often will tell their friends and neighbors about how little they had to pay for a certain article because they received a discount.

Just what is a discount? A discount is a deduction or a decrease in price from an original amount that was owed. Very often a cash discount is given if customers pay their obligations or bills within 10 days. That is, if your company sold a company $100 worth of merchandise and you told them that you would give them a 2 percent discount if they paid the bill within 10 days, they could send you a check for $98 instead of $100 and the bill would be fully paid.

Discounts are good for the vendor and the buyer. By offering discounts, the vendor will probably receive a customer's payment more quickly than if a discount had not been offered. The buyer, or customer, is willing to pay the bills more quickly because it results in a big savings of money when done consistently.

Discounts are very important to the business world. In this packet you will learn how to figure discounts, how to record transactions involving discounts in a journal, and how to post from the journal to the proper accounts in the ledgers.

DIRECTIONS:

1. This module includes a four part filmstrip. Set up your projector and cassette player carefully. Always replace the projector and rewind the cassette after using.

2. This module has a Pre-Test, Self-Check, and a Post-Test. Do not write on these forms. Record your answer on a separate sheet of paper.

LEARNING ACTIVITIES:

1. Complete the filmstrip activity entitled Due Dates.(Part I) If you correctly answered all of the questions on the Pre-Test that involved due dates, skip this activity. If you missed any of the questions, complete this activity before you go to any other part of this packet.

2. Complete the filmstrip activity entitled How Many Days in Each Month?(Part II) If you correctly answered all of the questions on the Pre-Test that involved due dates, skip this activity. If you missed any of the questions, complete this activity before you go to any other part of this packet.

3. Complete the filmstrip activity entitled Cash Discounts. (Part III) If you correctly answered all of the questions on the Pre-Test that involved discounts, skip this activity. If you missed any of the questions, complete this activity before you proceed.

4. Complete the filmstrip activity entitled Have-Much-Gum Episode (Part IV) to the Joe Blow Company.

5. Take the Self-Check on a separate sheet of paper. If you feel confident of the due date and discount information, proceed to the following problem activity. If you'd like to review, return to the filmstrip presentation.

6. Complete the problem activity entitled Stylistic Clothing Mart.

7. Complete the Post-Test.

SELF-CHECK

Due Dates and Discounts

Directions: Compute the correct due dates and discounts for the following invoices. Do not write on this form. Record your answers on a separate sheet of paper. Check your answers with the key at the back of this manual.

SECTION A – DUE DATES

	Date of invoice	Terms	Due Date if taking Discount	Final date for payment – No discount
1.	April 1	2/10, n/30	_____	_____
2.	March 5	2/10, n/30	_____	_____
3.	February 15	1/10, n/20	_____	_____
4.	November 5	2/15, n/30	_____	_____
5.	September 10	2/15, n/30	_____	_____
6.	June 20	1/10, n/20	_____	_____
7.	July 25	1/10, n/20	_____	_____
8.	August 15	2/15, n/30	_____	_____
9.	September 20	2/15, n/30	_____	_____
10.	November 7	2/10, n/30	_____	_____
11.	February 5	2/10, n/30	_____	_____
12.	January 5	2/10, n/30	_____	_____
13.	May 30	2/10, n/30	_____	_____
14.	October 1	2/10. n/30	_____	_____
15.	December 20	2/10, n/30	_____	_____

SELF-CHECK

(Continued)

SECTION B – DISCOUNTS

	Amount of Invoice	Terms	Amount of Discount if paid within discount period	Amount of Check if paid within discount period
1.	$ 150.00	2/10, n/30		
2.	349.00	2/10, n/30		
3.	560.75	1/10, n/30		
4.	1,198.50	2/10, n/30		
5.	2,549.95	2/10, n/30		
6.	199.97	2/15, n/30		

STYLISTIC CLOTHING MART

You are now employed as an accounting clerk for the Stylistic Clothing Mart. This company is a distributor of young men's and women's clothing to various retail stores throughout the South. You will be given some of the accounts that you would normally find in the General Ledger but only those that you will need for this activity. You will notice that Accounts Receivable has a debit balance of $1,236.00, which is the total of the three unpaid customers' invoices that were recorded in April and filed in the "Unpaid Customer's Invoices" file. These three invoices have been recorded in the Sales Journal and have been posted to the proper accounts in the Accounts Receivable Ledger, so do not record and post them again. You will need to get each of these invoices out of the "Unpaid Customers' Invoices" file as you receive a check in payment of the invoice.

Also, notice that a Cash Receipts Journal is given for you to record the amount of cash received from Stylistic's customers.

You will be given an envelope containing sales invoices and incoming checks. Be sure that they are in order by looking at the form numbers on them. If they are mixed up, arrange them in order.

SALES INVOICES:

You will be receiving carbon copies of sales invoices that were sent to retail stores. You will need to–

1. Check the extensions on each invoice and see if the total is correct;
2. Record the sales invoice in the Sales Journal;
3. File the invoice in the Unpaid Customers' Invoices file;
4. Post the amount of the sale to the debit side of the customer's account in the Accounts Receivable Ledger and enter the balance in the Balance Column. (Don't forget the post references.)

Follow the procedure outlined above each time you receive a sales invoice.

INCOMING CHECKS:

You will also be receiving checks from these customers in payment of their invoices. You will need to–

1. Remove the correct invoice from the Unpaid Customers' Invoices file and check to see if the invoice was paid within the discount period if a discount was taken;

2. Check to see that the correct amount was received from the customer;

3. Record the check in the Cash Receipts Journal by debiting Cash for the amount of the check, debiting Sales Discount for the amount of the discount, and crediting Accounts Receivable for the total amount of the invoice;

4. File the check in the Incoming Checks file and file the invoice in the Paid Customers' Invoices file;

5. Post from the Cash Receipts Journal to the Accounts Receivable Ledger by crediting the customer's account with the amount that was recorded in the Accounts Receivable Credit Column. This amount will be subtracted from the amount in the Balance Column to find a new balance. Don't forget to check the Post Reference Column after you post.

Follow the procedure outlined above each time you receive a check from a customer.

END-OF-THE-MONTH WORK:

At the end of the month you will need to post the columnar totals from the Sales Journal and the Cash Receipts Journal to the proper accounts in the General Ledger.

SALES JOURNAL:

1. Add the amount column and check it before you rule.

2. Post the total of the Sales Journal to the debit side of Accounts Receivable and to the credit side of Sales in the General Ledger. Don't forget the Post References.

CASH RECEIPTS JOURNAL:

1. Add the columns in the journal and pencil foot. Be sure that the two debit totals (the Cash debit total and the Sales Discount debit total) equal the total of the Accounts Receivable Credit Column.

2. Rule the journal.

3. Post the total of the Cash debit column to the debit side of the Cash account in the General Ledger.

4. Post the total of the Sales Discount Column to the debit side of the Sales Discount account in the General Ledger.

5. Post the total of the Accounts Receivable Column to the credit side of the Accounts Receivable account in the General Ledger.

DON'T FORGET THE POST REFERENCES!

Now that you have an over-all view of what you are supposed to do with each form, it is time to go to work. Record each form according to the date given on this sheet.

Obtain your Accounts Receivable Ledger accounts, General Ledger accounts, Sales Journal, and Cash Receipts Journal from your instructor.

May 1 – Check the Unpaid Invoices File to see if Forms 1, 2, and 3 are in it. These three invoices have already been recorded in the Sales Journal and posted to the customers' accounts in the Accounts Receivable Ledger.

May 1 – Form 4 (Follow the procedures outlined in the section entitled Sales Invoices.)

May 3 – Form 5 (Follow the procedures outlined in the section entitled Incoming Checks.)

May 5 – Form 6

May 8 – Form 7

May 9 – Form 8

May 11 – Form 9

May 15 – Form 10

May 17 – Form 11

May 18 – Form 12
Form 13

May 24 – Form 14
Form 15

May 27 – Form 16
Form 17

May 29 – Form 18

May 31 – Form 19
Form 20

Complete the end-of-the-month work.

"In" Basket

Glue No. 10 envelope here with "In" Basket notation.

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FORM 4

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: Bab's Boutique
1801 Main Street
Beaufort, SC 29902

TERMS: 2/10, n/30

INVOICE NO.: 104
DATE: May 1, 19--
OUR ORDER NO.: 165
CUSTOMER'S ORDER NO.: 439
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
4 doz.	Sundresses	60 00	240 00
2 doz.	Skirts	48 00	96 00
3 doz.	Knit tops	24 00	72 00
6 doz.	Pairs of shorts	36 00	216 00
	Total		624 00

FORM 7

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: Guys & Dolls
Ocean Blvd.
Myrtle Beach, SC 29577

TERMS: 2/10, n/30

INVOICE NO.: 105
DATE: May 8, 19--
OUR ORDER NO.: 167
CUSTOMER'S ORDER NO.: 986
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
3 doz.	2-Pc. Swimwear	60 00	180 00
4 doz.	Boxer Swimtrunks	12 00	48 00
2 doz.	Poplin Walk Shorts	24 00	48 00
3 doz.	Question & Answer T Shirts	24 00	72 00
	Total		348 00

FORM 10

BK
IV–J, 13

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: The Fashion Spot
1101 Buncombe Road
Greenville, SC 29609

TERMS: 2/10, n/30

INVOICE NO.: 106
DATE: May 15, 19--
OUR ORDER NO.: 169
CUSTOMER'S ORDER NO.: 413
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
2 doz.	Polyester tunics	24 00	48 00
3 doz.	Pant sets	84 00	252 00
4 doz.	Handbags	24 00	96 00
	Total		396 00

FORM 12

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: The Sportsters
1901 Main Street
Lexington, SC 29072

TERMS: 2/10, n/30

INVOICE NO.: 107
DATE: May 18, 19--
OUR ORDER NO.: 171
CUSTOMER'S ORDER NO.: 200
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
2 doz.	Wilson tennis shirts	48 00	96 00
2 doz.	Wilson tennis shorts	36 00	72 00
	Total		168 00

FORM 13

BK
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STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: The Fashion Spot
1101 Buncombe Road
Greenville, SC 29609

TERMS: 2/10, n/30

INVOICE NO.: 108
DATE: May 18, 19--
OUR ORDER NO.: 175
CUSTOMER'S ORDER NO.: 412
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
3 doz.	Terry tops	36 00	108 00
2 doz.	Short sets	24 00	48 00
	Total		156 00

FORM 15

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: The Sportsters
1901 Main Street
Lexington, SC 29072

TERMS: 2/10, n/30

INVOICE NO.: 109
DATE: May 24, 19--
OUR ORDER NO.: 180
CUSTOMER'S ORDER NO.: 115
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
4 doz.	Golf shirts	36 00	144 00
5 doz.	Fashion denims	60 00	300 00
	Total		444 00

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FORM 16

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: Bab's Boutique
1801 Main Street
Beaufort, SC 29902
TERMS: 2/10, n/30

INVOICE NO.: 110
DATE: May 27, 19--
OUR ORDER NO.: 456
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
3 doz.	Handbags	24 00	72 00
4 doz.	Ladies tops	36 00	144 00
2 doz.	Summer dresses	60 00	120 00
	Total		336 00

FORM 18

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: Guys & Dolls
Ocean Blvd.
Myrtle Beach, SC 29577
TERMS: 2/10, n/30

INVOICE NO.: 111
DATE: May 29, 19--
OUR ORDER NO.: 185
CUSTOMER'S ORDER NO.: 999
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
2 doz.	2-Pc. Swimwear	60 00	120 00
3 doz.	Boxer Swimtrunks	12 00	36 00
4 doz.	Question & Answer T Shirts	24 00	96 00
	Total		252 00

FORM 19

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: The King's Men
1716 Ashley River Road
Charleston, SC 29407

TERMS: 2/10, n/30

INVOICE NO.: 112
DATE: May 31, 19--
OUR ORDER NO.: 188
CUSTOMER'S ORDER NO.: 832
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
2 doz.	Dress shirts	50 00	100 00
3 doz.	Knit slacks	100 00	300 00
	Total		400 00

FORM 9

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING INVOICES

Date	Amount
May 1	624.00

Total 624.00
Less 2% Discount 12.48
Amount of Check 611.52

SOUTH NATIONAL BANK
Beaufort, SC 29902

No. 544

May 9 19--

PAY TO THE ORDER OF Stylistic Clothing Mart $611.52

Six hundred eleven & 52/100 Dollars

BAB'S BOUTIQUE

Non-Negotiable Barbara Rocket

FORM 11

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING INVOICES

Date	Amount
5/8	348.00

Total 348.00
Less 2% Discount 6.96
Amount of Check 341.04

SOUTH CAROLINA NATIONAL BANK
Myrtle Beach, SC 29577

No. 706

May 16 19--

PAY TO THE ORDER OF Stylistic Clothing Mart $341.04/100

Three hundred forty-one & 04/100 Dollars

GUYS & DOLLS

Non-Negotiable Jordon Glover

FORM 14

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING INVOICES

Date	Amount
5/15	396.00

Total 396.00
Less 2% Discount 7.92
Amount of Check 388.08

BANKERS TRUST
Greenville, SC 29609

No. 992

May 23 19--

PAY TO THE ORDER OF Stylistic Clothing Mart $388 08/xx

Three Hundred Eighty Eight — 08/xx Dollars

THE FASHION SPOT

Non-Negotiable Sarah Shaw

FORM 5

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING INVOICES

Date	Amount
4/22	128.00

Total 128.00
Less 2% Discount 2.56
Amount of Check 125.44

LEXINGTON STATE BANK
Lexington, SC 29072

No. 1101

May 1 19--

PAY TO THE ORDER OF Stylistic Clothing Mart $ 125.44

One hundred twenty-five & 44/100 Dollars

THE SPORTSTERS

Non-Negotiable Kim Singletary

FORM 6

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING INVOICES

Date	Amount
4/25/--	700.00

Total 700.00
Less 2% Discount 14.00
Amount of Check 686.00

FIRST NATIONAL BANK
Charleston, SC 29407

No. 903

May 3 19--

PAY TO THE ORDER OF Stylistic Clothing Mart $ 686 00

Six hundred eighty-six 00/100 Dollars

THE KING'S MEN

Non-Negotiable Burt Reton, Treas.

FORM 8

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING INVOICES

Date	Amount
4/28	408.00

Total 408.00
Less 2% Discount 8.16
Amount of Check 399.84

FIRST CITIZENS BANK
Columbia, SC 29202

No. 844

May 7 19--

PAY TO THE ORDER OF Stylistic Clothing Mart $ 399 84

Three hundred ninety-nine 84/100 Dollars

MILLION-DOLLAR LOOK

Non-Negotiable Lucy Wiggins

FORM 17

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING INVOICES

Date	Amount
5/18	168.00

Total 168.00
Less 2% Discount 3.36
Amount of Check 164.64

LEXINGTON STATE BANK
Lexington, SC 29072

No. 1119

May 26, 19--

PAY TO THE ORDER OF Stylistic Clothing Mart $ 164.64

One hundred sixty-four & 64/100 — Dollars

THE SPORTSTERS

Non-Negotiable

Kim Singletary

Unpaid Customers' Invoices

Glue No. 10 envelope here with Unpaid Customers' Invoices notation.

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FORM 1

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: The Sportsters
1901 Main Street
Lexington, SC 29072

TERMS: 2/10, n/30

INVOICE NO.: 101
DATE: April 22, 19--
OUR ORDER NO.: 149
CUSTOMER'S ORDER NO.: 201
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
3 doz.	Knit shirts	36 00	108 00
2 doz.	Athletic socks	10 00	20 00
	Total		128 00

FORM 2

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: The King's Men
1716 Ashley River Road
Charleston, SC 29407

TERMS: 2/10, n/30

INVOICE NO.: 102
DATE: April 25, 19--
OUR ORDER NO.: 155
CUSTOMER'S ORDER NO.: 802
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
4 doz.	Dress shirts	50 00	200 00
5 doz.	Knit slacks	100 00	500 00
	Total		700 00

FORM 3

BK
IV–J, 22

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: Million-Dollar Look
1902 Main Street
Columbia, SC 29202

TERMS: 2/10, n/30

INVOICE NO.: 103
DATE: April 28, 19--
OUR ORDER NO.: 163
CUSTOMER'S ORDER NO.: 503
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
5 doz.	Ties	24 00	120 00
4 doz.	Belts	36 00	144 00
6 doz.	Scarves	24 00	144 00
	Total		408 00

Incoming Checks

Glue No. 10 envelope here with Incoming Checks notation.

FORM 20

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING INVOICES

Date	Amount
5/18	156.00

Total
Less ___ Discount

Amount of Check 156.00

BANKERS TRUST
Greenville, SC 29609

No. 1001

May 30 19--

PAY TO THE ORDER OF Stylistic Clothing Mart $ 156 no/xx

One Hundred Fifty-Six no/xx Dollars

THE FASHION SPOT

Non-Negotiable Sara Shaw

Paid Customers' Invoices

Glue No. 10 envelope here with Paid Customers' Invoices notation.

POST-TEST

Directions: Choose the letter of the answer which correctly completes each statement, and record your answer on a separate sheet of paper.

1. If an invoice is dated June 10 and the terms of the invoice are 2/10, n/30, to take advantage of the discount, the invoice must be paid by
   a. June 10
   b. July 10
   c. June 20
   d. June 12

2. If an invoice is dated August 25 and the terms are 2/10, n/30, the final date by which the total amount of the invoice must be paid with no discount is
   a. August 27
   b. August 30
   c. September 4
   d. September 24
   e. September 30

3. If an invoice is dated March 27 and the terms of the invoice are 2/10, n/30, to take advantage of the discount the invoice must be paid by
   a. March 29
   b. March 30
   c. April 6
   d. April 30

4. When terms are stated 2/10, n/30, which of the following statements is correct?
   a. The customer will receive a 10% discount if he/she pays the invoice in 2 days.
   b. The customer will receive a 2% discount if he/she pays the invoice in 10 days.
   c. The customer will receive no discount if he/she pays the invoice in 10 days.
   d. The customer will receive a 10% discount if he/she pays the invoice in 30 days.

5. If a customer pays an invoice within the discount period, the amount of the check received from him/her should be
   a. the full amount of the invoice
   b. the amount of the discount
   c. the full amount of the invoice less the discount
   d. a partial payment of the invoice

6. If the total of a sales invoice is $900.00 and the terms are 2/10, n/30 and the invoice is paid within the discount period, the amount of the discount should be
   a. $ 90.00
   b. $ 9.00
   c. $ 18.00
   d. $ 30.00
   e. $180.00

7. If the total of a sales invoice is $500.00 and the terms are 2/10, n/30 and the invoice is paid within the discount period, the amount of the check received from the customer should be
   a. $500.00
   b. $490.00
   c. $400.00
   d. $470.00

POST-TEST

(Continued)

8. When a carbon copy of the sales invoice is received in the Accounting Department of the vendor, it should be recorded in the
   a. cash receipts journal
   b. cash payments journal
   c. purchases journal
   d. sales journal

9. When the amount of the invoice is posted from the Sales Journal to the customer's account in the Accounts Receivable Ledger, the amount should be recorded in the customer's account in the
   a. debit column
   b. credit column
   c. balance column
   d. None of the above

10. When the check from the customer is received in payment of the invoice, it should be recorded in the
    a. sales journal
    b. purchases journal
    c. cash receipts journal
    d. cash payments journal

11. The amount of the check should be recorded in the proper journal in the
    a. Accounts Receivable Credit Column
    b. Sales Discount Debit Column
    c. Cash Debit Column
    d. None of the above

12. The amount that should be posted to the customer's account after a check has been received in payment is
    a. the amount in the Accounts Receivable Credit Column
    b. the amount in the Sales Discount Debit Column
    c. the amount in the Cash Debit Column
    d. None of the above

13. The total in the Sales Journal should be posted to the
    a. General Ledger
    b. Accounts Receivable Ledger
    c. Accounts Payable Ledger
    d. None of the above

14. The total of the Sales Journal at the end of the month should be posted to
    a. the debit side of the Cash account and the credit side of the Sales account
    b. the debit side of the Accounts Receivable account only
    c. the debit side of the Accounts Receivable account and the credit side of the Sales account
    d. the debit side of the Sales account
    e. the debit side of the Sales account and the credit side of the Accounts Receivable account

POST-TEST

(Continued)

15. The totals of the Cash Receipts Journal should be posted at the end of the month to
    a. the General Ledger
    b. the Accounts Receivable Ledger
    c. the Accounts Payable Ledger
    d. None of the above

16. The total of the column in the Cash Receipts Journal that should be posted to the debit side of the Cash account is the
    a. Cash Debit Column
    b. Sales Discount Debit Column
    c. Accounts Receivable Credit Column

17. The total of the column in the Cash Receipts Journal that should be posted to the debit side of the Sales Discount account is the
    a. Cash Debit Column
    b. Sales Discount Debit Column
    c. Accounts Receivable Credit Column

18. The total of the column in the Cash Receipts Journal that should be posted to the credit side of the Accounts Receivable account in the General Ledger is the
    a. Cash Debit Column
    b. Sales Discount Debit Column
    c. Accounts Receivable Credit Column
    d. None of the above

19. When posting from the Sales Journal to the customer's account in the Accounts Receivable Ledger, the amount that is posted to the customer's account
    a. increases the balance in the customer's account
    b. decreases the balance in the customer's account
    c. has no effect on the balance in the customer's account

20. When posting from the Cash Receipts Journal to the customer's account in the Accounts Receivable Ledger, the amount that is posted to the customer's account
    a. increases the balance in the customer's account
    b. decreases the balance in the customer's account
    c. has no effect on the balance in the customer's account

SELF-CHECK

Answer Key

Directions: Compute the correct due dates and discounts for the following invoices. Do not write on this form. Record your answers on a separate sheet of paper.

SECTION A – DUE DATES

	Date of invoice	Terms	Due Date if taking Discount	Final date for payment – No discount
1.	April 1	2/10, n/30	April 11	May 1
2.	March 5	2/10, n/30	March 15	April 4
3.	February 15	1/10, n/20	Feb. 25	March 7
4.	November 5	2/15, n/30	Nov. 20	Dec. 5
5.	September 10	2/15, n/30	Sept. 25	Oct. 10
6.	June 20	1/10, n/20	June 30	July 10
7.	July 25	1/10, n/20	Aug. 4	Aug. 14
8.	August 15	2/15, n/30	Aug. 30	Sept. 14
9.	September 20	2/15, n/30	Oct. 5	Oct. 20
10.	November 7	2/10, n/30	Nov. 17	Dec. 7
11.	February 5	2/10, n/30	Feb. 15	March 7
12.	January 5	2/10, n/30	Jan. 15	Feb. 4
13.	May 30	2/10, n/30	June 9	June 29
14.	October 1	2/10, n/30	Oct. 11	Oct. 31
15.	December 20	2/10, n/30	Dec. 30	Jan. 19

SELF-CHECK

Answer Key

(Continued)

SECTION B – DISCOUNTS

	Amount of Invoice	Terms	Amount of Discount if paid within discount period	Amount of Check if paid within discount period
1.	$ 150.00	2/10, n/30	$ 3.00	$ 147.00
2.	349.00	2/10, n/30	$ 6.98	$ 342.02
3.	560.75	1/10, n/30	$ 5.61	$ 555.14
4.	1,198.50	2/10, n/30	$23.97	$1,174.53
5.	2,549.95	2/10, n/30	$51.00	$2,498.95
6.	199.97	2/15, n/30	$ 4.00	$ 195.97

BK
IV–J, 31

RECORDING DISCOUNTS ALLOWABLE ON INVOICES

INSTRUCTOR'S HANDBOOK

Prepared by

Mrs. Linda F. Albert

State Department of Education
Office of Vocational Education
Office Occupations Education
Columbia, South Carolina 29201

In Cooperation With

Vocational Education Media Center
Clemson University
Clemson, South Carolina 29631

1978

Module No. IV–J

INSTRUCTOR'S GUIDE TO LEARNING ACTIVITIES

MODULE TITLE: RECORDING DISCOUNTS ON SALES INVOICES

Learning Activity Numbers

OBJECTIVE(S): Given invoice from customer, sales invoices and the necessary journals and ledgers, record the allowable discounts without any procedural or mathematical errors.

INSTRUCTION SHEETS

I	Title: Due Dates – Filmstrip – Part 1	1
II	Title: How Many Days in Each Month? – Filmstrip – Part II	2
III	Title: Cash Discounts – Filmstrip – Part III	3
IV	Title: Have-Much-Gum Episode – Filmstrip – Part IV	4
V	Title: Stylistic Clothing Mart – Problem	6

STUDENT SELF-CHECKS INCLUDED IN MODULE

I	Title: Self-Check on Due Dates and Discounts	5

SUPPLEMENTAL MATERIALS

Recordkeeping I and II
Transparencies (Sales)
(Available from the Vocational Education Media Center,
Clemson University, Clemson, South Carolina 29631)

TEXTBOOKS AND REFERENCE BOOKS SUGGESTED	
None required, but students may wish to refer to or review the	
following:	
South-Western's Century 21 Accounting - background information	
McGraw-Hill's Accounting 10/12 - background information	
MANUALS, SPECIFICATION SHEETS REQUIRED	
FILMSTRIP PRESENTATIONS & AV MATERIALS REQUIRED	
Filmstrip projector and cassette player will be needed for presentations	1 – 4
on Due Dates, How Many Days in Each Month, Cash Discounts, and	
Have-Much-Gum Episode (Parts I – IV).	
SPECIAL TOOLS, EQUIPMENT & SUPPLIES REQUIRED	
Each student will need a copy of the Pre-Test, Post-Test, and materials	
for the Stylistic Clothing Mart problem—invoices, checks, envelopes for four	
files, cash receipts journal, sales journal, accounts receivable ledger, and	
general ledger.	

ATTITUDES & VALUES TO BE DEVELOPED

Encourage the student to take pride in completing the Stylistic Clothing Mart problem as neatly and accurately as possible.

* NOTES TO THE TEACHER TO ASSIST IN WORKING WITH THIS MODULE

You will need to make at least one set of copies of the Sales Invoices and Checks. If the student does not mark on these, they can be used again and again. However, if you want each student to actually check and verify the amounts, you will need a set of invoices and checks for each student. They are available in this manual for duplication.

You will need to make copies of the Accounts Receivable Ledger accounts (3 pages), General Ledger accounts (1 page), Sales Journal, and Cash Receipts Journal for each student who uses this packet. They are available in this manual for duplication.

This packet was designed so that it could be used by one student alone or in a class situation.

You will also need to make four files for use in the Stylistic Clothing Mart problem. (No.10 envelopes will be fine.) Label them as follows:

1. "In" Basket
2. Unpaid Customers' Invoices
3. Paid Customers' Invoices
4. Incoming Checks

Before giving the invoices and checks to the student, cut them apart and place forms 1, 2, and 3 in the Unpaid Customers' Invoices file. Place all other forms in the "In" Basket file.

The filmstrip presentation could also be used in a class situation. The Self-Check, Pre-Test, and Post-Test could be duplicated for each student. The Stylistic Clothing Mart could be used for an entire class with each student working individually. Record the narration on a cassette tape.

Keys for the Pre-Test, Post-Test and Stylistic Clothing Mart are included in this manual.

PRE-TEST

Answer Key

1. b
2. b
3. a
4. a
5. b
6. b
7. a
8. b
9. b
10. b
11. a
12. a
13. b
14. b
15. a

POST-TEST

Answer Key

1. c
2. d
3. c
4. b
5. c
6. c
7. b
8. d
9. a
10. c
11. c
12. a
13. a
14. c
15. a
16. a
17. b
18. c
19. a
20. b

FORM 5

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING INVOICES

Date	Amount
4/22/--	128.00

Total 128.00
Less 2% Discount 2.56

Amount of Check 125.44

LEXINGTON STATE BANK
Lexington, SC 29072

No. 1101

May 1, 19--

PAY TO THE ORDER OF Stylistic Clothing Mart $ 125.44

One hundred twenty-five 44/100 — Dollars

THE SPORTSTERS

Non-Negotiable Kim Singletary

FORM 6

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING INVOICES

Date	Amount
4/25/--	700.00

Total 700.00
Less 2% Discount 14.00

Amount of Check 686.00

FIRST NATIONAL BANK
Charleston, SC 29407

No. 903

May 3 19--

PAY TO THE ORDER OF Stylistic Clothing Mart $ 686.00

Six Hundred eighty-six 00/100 — Dollars

THE KING'S MEN

Non-Negotiable Burt Raton, Treas.

FORM 8

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING INVOICES

Date	Amount
4/28/--	408.00

Total 408.00
Less 2% Discount 8.16

Amount of Check 399.84

FIRST CITIZENS BANK
Columbia, SC 29202

No. 844

May 7 19--

PAY TO THE ORDER OF Stylistic Clothing Mart $ 399.84

Three hundred ninety-nine 84/100 Dollars

MILLION-DOLLAR LOOK

Non-Negotiable Lucy Wiggins

FORM 9

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING INVOICES

Date	Amount
May 1	624.00

Total 624.00
Less 2% Discount 12.48
Amount of Check 611.52

SOUTH NATIONAL BANK
Beaufort, SC 29902

No. 544

May 9 19--

PAY TO THE ORDER OF Stylistic Clothing Mart $611.52

Six hundred eleven 52/100 Dollars

BAB'S BOUTIQUE

Non-Negotiable Barbara Rocket

FORM 11

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING INVOICES

Date	Amount
5/8/--	348.00

Total 348.00
Less 2% Discount 6.96
Amount of Check 341.04/100

SOUTH CAROLINA NATIONAL BANK
Myrtle Beach, SC 29577

No. 706

May 16 19--

PAY TO THE ORDER OF Stylistic Clothing Mart $341.04/100

Three hundred forty-one and 04/100 Dollars

GUYS & DOLLS

Non-Negotiable Gordon Glaven

FORM 14

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING INVOICES

Date	Amount
5/15/-	396.00

Total
Less 2% Discount 396.00
Amount of Check 7.92
388.08

BANKERS TRUST
Greenville, SC 29609

No. 992

May 23 19--

PAY TO THE ORDER OF Stylistic Clothing Mart $388.08

Three hundred eighty-eight 08/100 Dollars

THE FASHION SPOT

Non-Negotiable Sara Shaw

FORM 17

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING INVOICES

Date 5/18/-- Amount 168.00

Total
Less 2% Discount 168.00

Amount of Check 336
164.64

LEXINGTON STATE BANK
Lexington, SC 29072

No. 1119

May 26, 19--

PAY TO THE ORDER OF Stylistic Clothing Mart $ 164.64

One hundred sixty-four 64/100 — Dollars

THE SPORTSTERS

Non-Negotiable

Kim Singletary

FORM 20

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING INVOICES

Date Amount
5/20/-- 156.00

Total
Less____ Discount

Amount of Check 156.00

BANKERS TRUST
Greenville, SC 29609

No. 1001

May 31 19--

PAY TO THE ORDER OF Stylistic Clothing Mart $ 156.00

One Hundred fifty-six — 00/100 Dollars

THE FASHION SPOT

Non-Negotiable

Sara Shaw

FORM 1

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: The Sportsters
1901 Main Street
Lexington, SC 29072

TERMS: 2/10, n/30

INVOICE NO.: 101
DATE: April 22, 19--
OUR ORDER NO.: 149
CUSTOMER'S ORDER NO.: 201
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
3 doz.	Knit shirts	36 00	108 00
2 doz.	Athletic socks	10 00	20 00
	Total		128 00

FORM 2

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: The King's Men
1716 Ashley River Road
Charleston, SC 29407

TERMS: 2/10, n/30

INVOICE NO.: 102
DATE: April 25, 19--
OUR ORDER NO.: 155
CUSTOMER'S ORDER NO.: 802
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
4 doz.	Dress shirts	50 00	200 00
5 doz.	Knit slacks	100 00	500 00
	Total		700 00

FORM 3

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: Million-Dollar Look
1902 Main Street
Columbia, SC 29202

TERMS: 2/10, n/30

INVOICE NO.: 103
DATE: April 28, 19--
OUR ORDER NO.: 163
CUSTOMER'S ORDER NO.: 503
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
5 doz.	Ties	24 00	120 00
4 doz.	Belts	36 00	144 00
6 doz.	Scarves	24 00	144 00
	Total		408 00

FORM 4

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: Bab's Boutique
1801 Main Street
Beaufort, SC 29902

TERMS: 2/10, n/30

INVOICE NO.: 104
DATE: May 1, 19--
OUR ORDER NO.: 165
CUSTOMER'S ORDER NO.: 439
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
4 doz.	Sundresses	60 00	240 00
2 doz.	Skirts	48 00	96 00
3 doz.	Knit tops	24 00	72 00
6 doz.	Pairs of shorts	36 00	216 00
	Total		624 00

FORM 7

BK
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STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: Guys & Dolls
Ocean Blvd.
Myrtle Beach, SC 29577

TERMS: 2/10, n/30

INVOICE NO.: 105
DATE: May 8, 19--
OUR ORDER NO.: 167
CUSTOMER'S ORDER NO.: 986
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
3 doz.	2-Pc. Swimwear	60 00	180 00
4 doz.	Boxer Swimtrunks	12 00	48 00
2 doz.	Poplin Walk Shorts	24 00	48 00
3 doz.	Question & Answer T Shirts	24 00	72 00
	Total		348 00

FORM 10

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: The Fashion Spot
1101 Buncombe Road
Greenville, SC 29609

TERMS: 2/10, n/30

INVOICE NO.: 106
DATE: May 15, 19--
OUR ORDER NO.: 169
CUSTOMER'S ORDER NO.: 413
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
2 doz.	Polyester tunics	24 00	48 00
3 doz.	Pant sets	84 00	252 00
4 doz.	Handbags	24 00	96 00
	Total		396 00

FORM 12

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: The Sportsters
1901 Main Street
Lexington, SC 29072

TERMS: 2/10, n/30

INVOICE NO.: 107
DATE: May 18, 19--
OUR ORDER NO.: 171
CUSTOMER'S ORDER NO.: 200
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
2 doz.	Wilson tennis shirts	48 00	96 00
2 doz.	Wilson tennis shorts	36 00	72 00
	Total		168 00

FORM 13

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: The Fashion Spot
1101 Buncombe Road
Greenville, SC 29609

TERMS: 2/10, n/30

INVOICE NO.: 108
DATE: May 20, 19--
OUR ORDER NO.: 175
CUSTOMER'S ORDER NO.: 412
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
3 doz.	Terry tops	36 00	108 00
2 doz.	Short sets	24 00	48 00
	Total		156 00

FORM 15

BK
IV–J, 43

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: The Sportsters
1901 Main Street
Lexington, SC 29072

TERMS: 2/10, n/30

INVOICE NO.: 109
DATE: May 24, 19--
OUR ORDER NO.: 180
CUSTOMER'S ORDER NO.: 115
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
4 doz.	Golf shirts	36 00	144 00
5 doz.	Fashion denims	60 00	300 00
	Total		444 00

FORM 16

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: Bab's Boutique
1801 Main Street
Beaufort, SC 29902

TERMS: 2/10, n/30

INVOICE NO.: 110
DATE: May 27, 19--
OUR ORDER NO.: 183
CUSTOMER'S ORDER NO.: 456
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
3 doz.	Handbags	24 00	72 00
4 doz.	Ladies tops	36 00	144 00
2 doz.	Summer dresses	60 00	120 00
	Total		336 00

FORM 18

BK
IV–J, 44

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: Guys & Dolls
Ocean Blvd.
Myrtle Beach, SC 29577

TERMS: 2/10, n/30

INVOICE NO.: 111
DATE: May 29, 19--
OUR ORDER NO.: 185
CUSTOMER'S ORDER NO.: 999
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
2 doz.	2-Pc. Swimwear	60 00	120 00
3 doz.	Boxer Swimtrunks	12 00	36 00
4 doz.	Question & Answer T Shirts	24 00	96 00
	Total		252 00

FORM 19

STYLISTIC CLOTHING MART
111 Fashion Setters Blvd.
Newtown, SC 29209

SOLD TO: The King's Men
1716 Ashley River Road
Charleston, SC 29407

TERMS: 2/10, n/30

INVOICE NO.: 112
DATE: May 31, 19--
OUR ORDER NO.: 188
CUSTOMER'S ORDER NO.: 832
SHIPPED VIA: Truck

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
2 doz.	Dress shirts	50 00	100 00
3 doz.	Knit slacks	100 00	300 00
	Total		400 00

SALES JOURNAL

PAGE 1

	DATE		ACCOUNT DEBITED	INVOICE NO.	POST. REF.	ACCTS. REC. DR. SALES CR.	
1	19-- Apr.	22	The Sportsters	101	✓		1,28.00
2		25	The King's Men	102	✓		700.00
3		28	Million-Dollar Look	103	✓		408.00
4		30				1,236.00 / 1,236.00	
5						(12)	(41)
6	19-- May						
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							

CASH RECEIPTS JOURNAL

PAGE

DATE		RECEIVED FROM	POST. REF.	CASH DEBIT		SALES DISCOUNT DEBIT		ACCTS. REC. CREDIT	

ACCOUNTS RECEIVABLE LEDGER

NAME Bab's Boutique TERMS 2/10, n/30

ADDRESS 1801 Main St., Beaufort, SC 29902

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE

ACCOUNTS RECEIVABLE LEDGER

NAME The Fashion Spot TERMS 2/10, n/30

ADDRESS 1101 Buncombe Road, Greenville, SC 29609

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE

ACCOUNTS RECEIVABLE LEDGER

NAME Guys & Dolls TERMS 2/10, n/30

ADDRESS Ocean Blvd., Myrtle Beach, SC 29577

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE

ACCOUNTS RECEIVABLE LEDGER

NAME The King's Men TERMS 2/10, n/30

ADDRESS 1716 Ashley River Road, Charleston, SC 29407

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Apr. 25	Invoice #102	S1	700 00		700 00

ACCOUNTS RECEIVABLE LEDGER

NAME Million Dollar Look TERMS 2/10, n/30

ADDRESS 1902 Main St., Columbia, SC 29202

DATE		ITEM	POST. REF.	DEBIT		CREDIT		BALANCE	
19-- Apr.	28	Invoice # 103	S1	408	00			408	00

ACCOUNTS RECEIVABLE LEDGER

NAME The Sportsters TERMS 2/10, n/30

ADDRESS 1901 Main St., Lexington, SC 29072

DATE		ITEM	POST. REF.	DEBIT		CREDIT		BALANCE	
19-- Apr.	22	Invoice # 101	S1	128	00			128	00

GENERAL LEDGER

ACCOUNT Cash ACCOUNT NO. 11

DATE	ITEM	POST. REF.	DEBIT	DATE	ITEM	POST. REF.	CREDIT
19-- Apr. 30		CR1	10500 00	19-- Apr. 30		CP1	4300 00

ACCOUNT Accounts Receivable ACCOUNT NO. 12

DATE	ITEM	POST. REF.	DEBIT	DATE	ITEM	POST. REF.	CREDIT
19-- Apr. 30		S1	1236 00				

ACCOUNT Sales ACCOUNT NO. 41

DATE	ITEM	POST. REF.	DEBIT	DATE	ITEM	POST. REF.	CREDIT
				19-- Apr. 30		CR1	10500 00
				30		S1	1236 00

ACCOUNT Sales Discount ACCOUNT NO. 41.1

DATE	ITEM	POST. REF.	DEBIT	DATE	ITEM	POST. REF.	CREDIT

STYLISTIC CLOTHING MART

Answer Key

After the student has finished the Stylistic Clothing Mart problem, the files should contain the following papers if he/she has completed the problem correctly:

1.	"In" Basket File	No Papers
2.	Unpaid Customers' Invoices	Form 15 Form 16 Form 18 Form 19
3.	Paid Customers' Invoices	Form 1 Form 2 Form 3 Form 4 Form 7 Form 10 Form 12 Form 13
4.	Incoming Checks	Form 5 Form 6 Form 8 Form 9 Form 11 Form 14 Form 17 Form 20

SALES JOURNAL

PAGE 1

	DATE		ACCOUNT DEBITED	INVOICE NO.	POST. REF.	ACCTS. REC. DR. SALES CR.					
1	19--April	22	The Sportsters	101	✓		1	2	8	00	1
2		25	The King's Men	102	✓		7	0	0	00	2
3		28	Million-Dollar Look	103	✓		4	0	8	00	3
4		30				1	2	3	6	00	
5						(12)				(41)	5
6	19--May	1	Bab's Boutique	104	✓		6	2	4	00	6
7		8	Guy's & Dolls	105	✓		3	4	8	00	7
8		15	The Fashion Spot	106	✓		3	9	6	00	8
9		18	The Sportsters	107	✓		1	6	8	00	9
10		18	The Fashion Spot	108	✓		1	5	6	00	10
11		24	The Sportsters	109	✓		4	4	4	00	11
12		27	Bab's Boutique	110	✓		3	3	6	00	12
13		29	Guy's & Dolls	111	✓		2	5	2	00	13
14		31	The King's Men	112	✓		4	0	0	00	14
15		31				3	1	2	4	00	15
16						(12)				(41)	16
											17
18											18

STYLISTIC CLOTHING MART

Answer Key

CASH RECEIPTS JOURNAL

PAGE 2

DATE		RECEIVED FROM	POST. REF.	CASH DEBIT		SALES DISCOUNT DEBIT		ACCTS. REC. CREDIT	
19-- May	3	The Sportsters	✓	125	44	2	56	128	00
	5	The King's Men	✓	686	00	14	00	700	00
	9	Million-Dollar Look	✓	399	84	8	16	408	00
	11	Bab's Boutique	✓	611	52	12	48	624	00
	17	Guys & Dolls	✓	341	04	6	96	348	00
	24	The Fashion Spot	✓	388	08	7	92	396	00
	27	The Sportsters	✓	164	64	3	36	168	00
	31	The Fashion Spot	✓	156	00			156	00
	31			2,872	56	55	44	2,928	00
				(11)		(41.1)		(12)	

ACCOUNTS RECEIVABLE LEDGER

NAME The King's Men TERMS 2/10, n/30

ADDRESS 1716 Ashley River Road, Charleston, SC 29407

DATE		ITEM	POST. REF.	DEBIT		CREDIT		BALANCE	
19-- April	25	Invoice #102	S1	700	00			700	00
May	5		CR2			700	00	---	--
	31	Invoice #112	S1	400	00			400	00

ACCOUNTS RECEIVABLE LEDGER

NAME Million-Dollar Look TERMS 2/10, n/30

ADDRESS 1901 Main Street, Columbia, SC 29202

DATE		ITEM	POST. REF.	DEBIT		CREDIT		BALANCE	
19-- April	28	Invoice #103	S1	408	00			408	00
May	9		CR2			408	00	---	--

ACCOUNTS RECEIVABLE LEDGER

NAME The Sportsters TERMS 2/10, n/30

ADDRESS 1901 Main Street, Lexington, SC 29072

DATE		ITEM	POST. REF.	DEBIT		CREDIT		BALANCE	
19-- April	22	Invoice #101	S1	128	00			128	00
May	3		CR2			128	00	---	--
	18	Invoice #107	S1	168	00			168	00
	24	Invoice #109	S1	444	00			612	00
	27		CR2			168	00	444	00

ACCOUNTS RECEIVABLE LEDGER

NAME Bab's Boutique TERMS 2/10, n/30

ADDRESS 1801 Main Street, Beaufort, SC 29902

DATE		ITEM	POST. REF.	DEBIT		CREDIT		BALANCE	
19-- May	1	Invoice #104	S1	624	00			624	00
	11		CR2			624	00	---	--
	27	Invoice #110	S1	336	00			336	00

ACCOUNTS RECEIVABLE LEDGER

NAME The Fashion Spot TERMS 2/10, n/30

ADDRESS 1101 Buncombe Road, Greenville, SC 29609

DATE		ITEM	POST. REF.	DEBIT		CREDIT		BALANCE	
19-- May	15	Invoice #106	S1	396	00			396	00
	18	Invoice #108	S1	156	00			552	00
	24		CR2			396	00	156	00
	31		CR2			156	00	---	--

ACCOUNTS RECEIVABLE LEDGER

NAME Guys & Dolls TERMS 2/10, n/30

ADDRESS Ocean Blvd., Myrtle Beach, SC 29577

DATE		ITEM	POST. REF.	DEBIT		CREDIT		BALANCE	
19-- May	8	Invoice #105	S1	348	00			348	00
	17		CR2			348	00	---	--
	29	Invoice #111	S1	252	00			252	00

KEY TO STYLISTIC CLOTHING MART

GENERAL LEDGER

ACCOUNT Cash — ACCOUNT NO. 11

DATE		ITEM	POST. REF.	DEBIT		DATE		ITEM	POST. REF.	CREDIT	
Apr	30		CR1	10,500	00	Apr.	30		CP1	4,300	00
May	31		CR2	2,872	56						

ACCOUNT Accounts Receivable — ACCOUNT NO. 12

DATE		ITEM	POST. REF.	DEBIT		DATE		ITEM	POST. REF.	CREDIT	
Apr	30		S1	1,236	00	19-- May	31		CR2	2,928	00
May	31		S1	3,124	00						

ACCOUNT Sales — ACCOUNT NO. 41

DATE		ITEM	POST. REF.	DEBIT		DATE		ITEM	POST. REF.	CREDIT	
						19-- Apr.	30		CR1	10,500	00
							30		S1	1,236	00
						May	31		S1	3,124	00

KEY TO STYLISTIC CLOTHING MART

(Continued)

GENERAL LEDGER

ACCOUNT Sales Discount ACCOUNT NO. 41.1

DATE		ITEM	POST. REF.	DEBIT		DATE		ITEM	POST. REF.	CREDIT	
19-- May	31		CR2	55	44						

SCRIPT FOR
RECORDING DISCOUNTS ON SALES INVOICES

SLIDE NO.	NARRATION
1	Title (no script)
2	Produced by South Carolina Department of Education and Vocational Education Media Center (no script)
3	Credit statement (no script)
4	Written by: Mrs. Linda Albert
5	**Due Dates–Part I** In order to know whether or not a customer should receive a discount, it is necessary that you know how to figure the due date, or the final date by which payment can be made by the customer if he/she wants to get a cash discount.
6	Printed on the invoice will be the terms of the invoice. The customer will look at this section to see how much time is available if he/she wants to get a cash discount. Different businesses use different terms but those terms of sale that seem to be most common are:
7	Terms: 2/10, n(net)/30 Terms: 1/10, n(net)/30
8	In the first example, the customer could take a 2 percent discount if he/she pays the invoice within 10 days from the date of the invoice.
9	In the second example, the customer could take a 1 percent discount if he/she pays the invoice within 10 days from the date of the invoice.
10	If the customer does not pay the invoice within 10 days, he/she has to pay the net or total amount of the invoice within 30 days (n/30).
11	**Addition Method** There are two basic methods for figuring due dates. The first method deals with addition only.
12	For example, if an invoice is dated March 2 and is due within 10 days, it would have to be paid by March 12. (March 2 + 10 days = March 12)
13	If an invoice is dated March 15 and is due in 10 days, it would be due March 25. (March 15 + 10 days = March 25)
14	If you wanted to find the final date by which the entire amount had to be paid, you could use the addition method as long as the final answer did not exceed the number of days in the month. For example, April 1 + 20 days = April 21 September 3 + 20 days = September 23 November 10 + 20 days = November 30 January 1 + 30 days = January 31 March 1 + 30 days = March 31

SCRIPT

(Continued)

SLIDE NO.	NARRATION
15	**Subtraction Method** If an invoice is dated June 28 and is due in 10 days, it could not be due June 38 (June 28 + 10 days = June 38) because June does not have 38 days; June has only 30 days. So, this takes us to another method in which subtraction is necessary when figuring due dates. Let's answer some questions: 1. How many days are there in June? (30) 2. How many days are left in June after June 28? (2 – June 29 and June 30)
16	3. By what date in July do we need to pay the invoice so that the discount may be taken? 10 days – terms of invoice (minus) – 2 days left in June (invoice month) (equals) 8 the date in the next month that the payment is due (July 8)
17	In a nutshell this is what you would do: Total days in invoice month minus date of invoice; equals the days left in invoice month to apply to terms of invoice
18	Terms of invoice minus days left in invoice month equals date in next month that the payment is due
19	If an invoice is dated November 1 and is due in 30 days, it could not be due on November 31 because November does not have 31 days. Therefore, you would have to find how many days were left in November. Using the subtraction method, we find that there are: 30 total days in invoice month (Nov.) (minus) – 1 date of invoice (Nov. 1) (equals) 29 days left in invoice month (Nov.) to apply to terms of invoice
21	30 days – terms of invoice (minus) –29 days left in invoice month (Nov.) (equals) 1 date in next month (Dec.) that payment is due (Dec. 1) The invoice should be paid by the first day of the next month, December 1.
22	**How Many Days in Each Month?–Part II** In order to figure due dates, you do need to know how many days there are in each month. How many months have 31 days and how many have only 30 days?

SCRIPT

(Continued)

SLIDE NO.	NARRATION
23	February has 28 days except in Leap Year; then it has 29 days. One way to determine if we are in a Leap Year is by dividing the year by 4. If the quotient (answer) comes out even with no remainder, then we are in a Leap Year and February will have 29 days, unless the year can be divided by 400 evenly with no remainder. For example, the years 1600, and 2000 are not Leap Years.
24	For example, 1976 divided by 4 equals 494 with no remainder. Therefore, 1976 was a Leap Year and February had 29 days.
25	However, 1979 divided by 4 equals 494 with 3 remaining. 1979 is not a Leap Year and February has 28 days.
26	One way to remember which months have 30 days and which ones have 31 is to use the knuckles of your hands. Make fists of both hands, put them together, and start counting the months on your knuckles. Start with the knuckle over your left little finger and say "January." The gap between the knuckles is February; the next knuckle is March; the gap is April; the next knuckle is May; the gap is June; and the knuckle over the index finger is July. On the other hand start with the knuckle over the index finger and let it be August; the gap is September; the next knuckle is October; the gap is November; and the knuckle over the ring finger is December. The months that you counted on the knuckles all had 31 days. All the other months had 30 days, except for February which has either 28 or 29.
27	If you are good at remembering rhymes, here is another way for remembering how many days are in each month: Thirty days hath September, April, June, and November. All the rest have thirty-one Except February alone To which we twenty-eight assign, But leap year gives it twenty-nine.
28	**Cash Discounts–Part III** If a customer pays the amount of an invoice within 10 or 15 days, he/she is usually allowed to take a cash discount. However, if it takes 15 days to pay the invoice and the terms of the invoice stated 10 days, then no cash discount is received.
29	In this section, we will be looking at the first of the numbers in the terms of the invoice.
30	If the terms are 2/10, n/30, the customer is allowed to take a 2% discount if the invoice is paid within 10 days from the date of the invoice. The net or total amount of the invoice must be paid within 30 days.

SCRIPT

(Continued)

SLIDE NO.	NARRATION
31	If an invoice amounted to $100.00, you would multiply 2% or .02 times $100.00 and the discount would be $2.00. Subtract the $2.00 discount from the $100.00 invoice and you'll get $98.00. The customer would then pay $98.00 instead of $100.00 and the bill would be paid in full.
32	If the invoice amounted to $1,100.95 and the terms of the invoice were 2/10, n/30, you would multiply $1,100.95 times 2% or .02 and get $22.0190. This would be rounded to $22.02 discount. The customer would subtract the discount of $22.02 from the invoice $1,100.95 and pay only $1,078.93.
33	Welcome to the Have-Much-Gum Episode—Part IV
34	The Joe Blow Company needs a new supply of chewing gum and bubble gum and sends an order to the Have-Much-Gum Company.
35	When the Have-Much-Gum Company receives the order from the Joe Blow Company, the clerk checks the stockroom to be sure they have enough gum to ship to the Joe Blow Company.
36	Someone in the Shipping Department assembles all the cases and boxes of gum that the Joe Blow Company wants.
37	A sales invoice is prepared showing the name of the seller (Have-Much-Gum Company), the name of the buyer (Joe Blow Company), the invoice number (1001), the way that the gum is being shipped (truck), the date of the invoice (June 10), the terms of the invoice (2/10, n/30). The invoice also shows how much bubble gum and chewing gum is being sent to the Joe Blow Company and how much each unit costs, as well as the cost of the total amount.
38	A copy of the invoice is sent to the Joe Blow Company along with his gum, and a copy of the invoice is sent to the Accounting Department in the Have-Much-Gum Company.
39	The Have-Much-Gum Company records the Sales Invoice in the Sales Journal by debiting Accounts Receivable for $200.00 and crediting Sales for $200.00. The asset, Accounts Receivable, has increased by $200.00 because the amount that the Have-Much-Gum Company expects to receive from the Joe Blow Company has increased by $200.00. The income account, Sales, has also increased by $200.00.
40	An accounting clerk would post the $200.00 from the Sales Journal to the debit side of the Joe Blow Company's account in the Accounts Receivable Ledger. Also, the clerk extends the balance to the Balance Column; inserts the date, the invoice number, and S3 to show that the information came from page 3 of the Sales Journal. Then, checks the Post Reference Column in the Sales Journal to show that this information has now been posted to the Joe Blow Company's account in the Accounts Receivable Ledger.

SCRIPT

(Continued)

SLIDE NO.	NARRATION
41	At the end of the month an accounting clerk would also post the total of the Sales Journal to the debit side of Accounts Receivable in the General Ledger and to the credit side of Sales in the General Ledger. The account numbers, 12 and 41, in parentheses under the total $3,300.00 in the Sales Journal show that this total has been posted to the Accounts Receivable account and to the Sales account.
42	Later on June 20 the Have-Much-Gum Company receives a check from the Joe Blow Company for $196.00.
43	An accounting clerk would get a copy of the original sales invoice and check to be sure that the Joe Blow Company has paid the invoice within the discount period. The accounting clerk would also check to be sure that the correct discount had been taken.
44	Then he/she would record the check in the Cash Receipts Journal by debiting Cash $196.00, the actual amount that was received. He/she would also debit Sales Discount $4.00, the amount of the cash discount, and then would credit Accounts Receivable for $200.00, the amount of the original invoice.
45	Notice that the cash debit of $196.00 and the sales discount debit of $4.00 added together equal the Accounts Receivable credit of $200.00. The Joe Blow Company receives credit for the entire $200.00 because the invoice was paid within the discount period.
46	The next step is to post the $200.00 in the Accounts Receivable Credit Column of the Cash Receipts Journal to the Joe Blow Company's account in the Accounts Receivable Ledger. The $200.00 would be posted to the credit side of the account and the new balance for the Joe Blow Company would be zero. This entry had the effect of decreasing the amount that was owed to the Have-Much-Gum Company by the Joe Blow Company.
47	At the end of the month the totals of the Cash Receipts Journal would be posted to accounts in the General Ledger. The $3,446.00 in the Cash Debit Column would be posted to the debit side of the Cash account to show an increase in Cash. The $54.00 in the Sales Discount Column would be posted to the Debit side of Sales Discount. This would show an increase in Sales Discount and at the same time show a decrease in total sales, since Sales Discount is a minus Sales account. The $3,500.00 in the Accounts Receivable Credit Column would be posted to the credit side of Accounts Receivable, since this is the amount that the Have-Much-Gum Company has already received from its charge customers. I bet you thought the Have-Much-Gum Company didn't know how to do anything but blow bubbles. You were wrong; they know how to keep books, too,
48	(but they would rather blow bubbles!). (THE END)